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TREASURY FOR FBOYE

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SUBJECT: MADAGASCAR'S CRISIS TAKES A TOLL ON BASIC EDUCATION

SUMMARY

¶1. The on-going political and economic crisis in Madagascar is taking a toll on the basic education system and prospects for continued gains in improving education for 4,400,000 primary school children. Available resources from the government and donors have diminished and parents are being expected to assume more of the costs of primary education. Concerned about the potential impact on school attendance, donors plan to request release of USD 15 million out of the USD 85 million Catalytic funds that had been approved for Madagascar under the World Bank managed Fast Track Initiative. This funding will support emergency needs for the coming six months and donors hope that it can help prevent widespread abandonment in the education system. The US government suspended its education activity in Madagascar and the project terminated in Sept 2009. The US government does not contribute to the Catalytic funds.
End summary.

BACKGROUND

¶2. In 2003, Madagascar embarked on an ambitious reform of the basic education system aimed at meeting the Millennium Development Goal of universal primary school completion by 2015. Madagascar's ambitious and comprehensive 'Education for All' plan benefited from funding from Fast Track Initiative (FTI) during two consecutive periods (2003-2005 and 2006-2008). In April 2008, Madagascar received approval for an additional USD 85.1 million Catalytic Funds to cover the period of 2009-2011.

¶3. With these funds and other donor support for education, including the US government which prior to suspension of all non-humanitarian assistance supported teacher training and development of educational materials in Malagasy, English, and math, Madagascar was well equipped to tackle low primary completion rates. Only three of ten children in rural areas and six out of ten children in urban areas complete the primary cycle.

¶4. Over the past six years the repetition rate for primary students dropped from 30 percent in 2003 to 20.5 percent in 2005. The primary school completion rate increased from 36 percent in 2003 to 60 percent in 2007.

¶5. However, the prospects for continued progress have ground to a halt as the unfolding political and economic crisis has adversely affected basic education. Many donor programs have been suspended. The national education budget for 2009 was cut by 20 percent. Meanwhile the budget for 2010 has not yet been formulated. Usually by October the draft budget law has been submitted to the National Assembly for review and vote.

¶6. Donors have observed with concern signs that diminished resources are likely to affect attendance and quality of classroom learning.

School principals have started to collect contributions from parents which in turn affect their ability to finance costs of education for all children in the family. Distribution of school kits has been adversely affected. Planned school construction has slowed substantially while some contractors who have built classrooms have gone unpaid. There are concerns about the continued ability of the Government to pay teacher salaries, particularly for the contract teachers recruited by parents' associations. These teachers comprise 59 percent of the teaching workforce.

STATUS OF DONOR ASSISTANCE AND ACTIONS

¶7. In the aftermath of the March 2009 coup, the World Bank, Japan Cooperation (JICA), Embassy of Norway, and the US government suspended their assistance in education. In September 2009, the US government-funded education activity was terminated. The US does not contribute to the Catalytic Fund. The European Union and African Development Bank continued the implementation of on-going projects through completion. The UN agencies (UNICEF, UNDP, UNESCO, WFP, and ILO), French Embassy, and Agence Francaise de Developpement (AFD) have continued their education assistance but have elected to work directly with the schools and local communities while maintaining limited collaboration with senior education technical staff in government.

¶8. Concerned about the prospects for continued deterioration within the education system, donors conceived a plan intended to mitigate the worst impacts on children's education and avoid large scale abandonment. The donors jointly prepared an emergency program which will cover six months from January through June 2010 and requested that the FTI Secretariat release USD 15 million from the undisbursed USD 85.1 million approved in April 2008. The World Bank office in Madagascar will continue as Trustee of the Catalytic Funds. The funds would be released to UNICEF as a grant.

¶9. UNICEF will work with local NGOs and schools in the most vulnerable geographic zones, particularly in the drought prone South, to address urgent needs as follows: (1) provide subsidies to schools to cover community teachers' salaries, (2) cover overdue payments to contractors for work already completed, and (3) provide small grants to schools in vulnerable zones. The program will be managed so that no funds pass through the government.

¶10. This emergency arrangement is expected to prevent a substantial increase in rates of absenteeism or abandonment and support the education system until a new government is elected and installed. Meanwhile, this plan will help ensure some measure of continued protection of children's right to basic education.

MARQUARDT